THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (d) Prices of Scheduled drugs and medicines are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95). The trade margin to retailers in respect of Scheduled formulations is fixed at 16%. Prices of non-Scheduled medicines are fixed by the manufactures themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The Government/National Pharmaceutical Pricing Authority (NPPA) regularly monitors the movement of prices of medicines of mass consumption marketed through trade channel and intervenes whenever instances of unreasonable increase in prices affecting public interest adversely are noticed.

The National Pharmaceutical Pricing Authority (NPPA) has collected data on trade margin being offered by the manufacturers to the retailers for a limited sample. It was noted that some manufacturers had offered high margin to the retailers. However, the market share of such medicines was small.

A Committee under the Chairmanship of Joint Secretary (PI) was constituted to examine the span of price control (including trade margin) to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted its interim report to the Government. The Committee has also recommended a ceilings on trade margins of drugs. The Government in consultation with various stakeholders is examining the recommendations of the Task Force and the interim report of the Sandhu Committee. Based on this view would be taken regarding controlling the trade margins.

Economically unviable units in pharmaceutical sector

3389. SHRI S.S. AHLUWALIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Central and several State Governments owned units in pharmaceutical sector have been manufacturing vaccines and life-saving drugs;

(b) if so, the details thereof indicating major formulations, drugs and vaccines in which the units have been engaged in;

(c) the details of units which are found to be economically unviable and those which are earning profit;

(d) the policies of Governments, if any, to improve viability of the sick units;

(e) the details of the Government owned units proposed to be closed down or privatized since 2000; and

(f) the measures proposed to ensure uninterrupted supply of vaccines, particularly those for mass-immunisation programmes, after their closure/ privatization?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) Yes, Sir. Pharma Central Public Sector Undertakings (CPSUs) are engaged in the manufacture of life saving drugs namely Anti-Tuberculosis drugs, Ampicillin, Anti- Venom Serum etc. However, information in respect of State Governments owned pharmaceutical units is not centrally maintained.

(c) to (e) There are plans to rehabilitate/revive under-mentioned pharma CPSUs:

(i) Indian Drugs & Pharmaceuticals Limited (IDPL), Gurgaon.

(ii) Hindustan Antibiotics Limited (HAL), Pimpri, Pune.

(iii) Bengal Chemicals & Pharmaceuticals Limited (BCPL), Kolkata.

The Board for Industrial & Financial Reconstruction (BIFR) ordered winding up of following units:

(i) Bengal Immunity Limited (BIL), Kolkata.

(ii) Smith Stainstreet Pharmaceuticals Limited (SSPL), Kolkata.

(iii) Maharashtra Antibiotics & Pharmaceuticals Limited (MAPL), Nagpur (A joint venture company).

These units have accordingly been closed and are before the respective High Courts for appointment of liquidator.

Besides, Manipur State Drugs & Pharmaceuticals Limited (MSDPL), Imphal, a joint venture company, has been closed.

Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) and Rajasthan Drugs & Pharmaceuticals Limited (RDPL), two joint ventures, are profit making companies.

(f) At present, pharma CPSUs are not engaged in manufacture of vaccines.

Poor quality of phosphatic fertilisers

3390. SHRI T.S. BAJWA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the amount of subsidy on fertilizers paid to phosphatic fertilizer producers during the last three years;

(b) whether any complaints have been received against phosphatic fertilizer producer for the poor quality of product and bogus claims for subsidy;

(c) if so, the details thereof and the action taken against the defaulters; and

(d) the procedures adopted to verify the claims for the subsidy?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) The amount of subsidy paid to phosphatic fertilizer producers in respect of DAP, Complexes and SSP during the last three years is as follows:

Year	Amount of subsidy paid (In Rs. lakh)
2002-03	248773.97
2003-04	260599.65
2004-05	397698.69

(b) and (c) Reports from the State Government of Himachal Pradesh were received that during the months of November and December, 2004.